



## Transparency Portal – Fund Types

### **Economic Development For A Growing Economy Tax Credit – for Job Creation (IC 6-3.1-13)**

The Economic Development for a Growing Economy ("EDGE") tax credit program is Indiana's primary job creation incentive. The purpose of the EDGE Program is to provide a tax credit to companies creating net new jobs in Indiana.

EDGE awards are calculated based on the number of jobs being created and the wages associated with those jobs. An EDGE award is released on an annual basis over a period of up to ten years after a company first certifies to the IEDC its net new Indiana payroll achieved for that year. Employment figures included in this report represent the total number of employees anticipated to be hired over the term of the incentive agreement.

The Certified To Date amount included in the report details represents the portion of the total Contract Amount which has been earned by the recipient to date, based in part on the proportion of the Expected New Jobs by the Most Recent Calendar Year which have occurred. In the event that actual new employment differs from the employment level expected in the incentive agreement, the annual award amount is adjusted on a pro-rata basis to reflect actual performance. In no event can the total benefit received by a recipient exceed the total award amount indicated in its incentive agreement.

### **Economic Development For A Growing Economy Tax Credit – for Job Retention (IC 6-3.1-13)**

The Economic Development for a Growing Economy ("EDGE") tax credit program for job retention is an incentive that is rarely offered. The purpose of EDGE for retention is to encourage a company to remain in Indiana and not relocate, thereby keeping existing jobs in the State of Indiana. There are limited funds available for these. The company is required to remain in Indiana to keep the incentives. Sometimes, a retention project is mixed with a job creation project, so that a company must retain and grow.

### **Hoosier Business Investment Tax Credit (IC 6-3.1-26)**

The Hoosier Business Investment Tax Credit ("HBI") program is a job creation incentive. The purpose of the HBI program is to encourage companies to make significant new capital investment in Indiana, spurring economic development.

The credit amount is equal to a percentage (up to 10%) of a company's eligible capital investment in Indiana. The HBI award may be carried forward for a period of up to nine years.

Investments must be approved in advance by the IEDC in order to be eligible for the credit, and a recipient must first evidence the completion of the investment before the award is released. Employment figures included in this report represent the total number of employees expected to be hired over the term of the incentive agreement as well as in the most recent calendar year. Awards are released on an annual basis, and in the event that actual new employment substantially differs from the employment level indicated in the incentive agreement, the award is adjusted on a pro-rata basis to reflect actual performance. In no event can the total benefit received by a recipient exceed the total award amount indicated in its incentive agreement.

### **Skills Enhancement Fund (IC 5-28-7)**

The Skills Enhancement Fund ("SEF") is often used as a job creation incentive, to support the training of Indiana's workforce by providing reimbursement for a company's eligible training costs. The purpose of a SEF award is to train Hoosiers for available jobs, and this program helps employers train Hoosiers. A SEF award is disbursed over a two year period after a company demonstrates their eligible training expenditures. Most SEF awards are limited to 50-60% of a company's eligible training expenses. Most SEF agreements require certain levels, and in the event that a company's employment differs from the level indicated in the incentive agreement, award amounts are adjusted to reflect actual performance. In no event can the total benefit received by a recipient exceed the total award amount indicated in its incentive agreement.

#### **SEF 2.1 (IC 5-28-7)**

Under a targeted initiative known as Workforce 2.1, the IEDC uses SEF funding to support training programs directed towards workforce deficiencies, particularly in the manufacturing and logistics fields. This funding is provided directly to the training providers, which are primarily educational institutions and other types of nonprofits. This program helps improve the quality of the Hoosier workforce through skills development.

**Indiana Promotion Fund (IC 5-28-8-8)**

The Indiana Promotion Fund program ("IPR") provides funds for a variety of projects designed to enhance economic development in the State of Indiana, and this fund is used broadly to accomplish these purposes. During the reporting period, the fund was used to (1) guarantee the performance for a new nonstop airline route between Indianapolis and San Francisco, to enhance access to the Information technology industry on the West Coast and provide a stepping stone to Asian locations, making the State of Indiana easier to reach; (2) provide a match for a \$1,000,000 federal grant to the Battery Innovation Center for research, development and marketing of specialized high-tech batteries for numerous end-users, and (3) to support the Indiana Supplier Insight database, an online source which encourages use of Indiana businesses for manufacturing and other needs.

**Indiana Specific Insurance Related Education (IC 5-28-7)**

The Indiana Specific Insurance Related Education ("INSPIRE") Training Program provides reimbursement for companies incurring eligible training costs associated with obtaining insurance industry designations and certifications for their employees. INSPIRE awards are disbursed over the term of the agreement after a company demonstrates its eligible training expenditures and achievements.

**Technology Enhancement Certification For Hoosiers (IC 5-28-7)**

The Technology Enhancement Certification for Hoosiers ("TECH") Fund provides reimbursement for costs associated with a company's information technology professionals earning recognized information technology certifications in areas including systems administration, systems engineering, and software development. A TECH award is disbursed over the term of the agreement after a company demonstrates their eligible training expenditures and achievements.

**Business Development Loan Fund (IC 5-28-32)**

The Business Development Loan Fund ("BDLF") is a revolving fund used to provide a borrower a direct loan for an economic development project. The proposed project must do any of the following: improve the technological capacity or productivity of the businesses; enhance the protection of Indiana's environment; or permit the business to expand facilities, establish new facilities, or make site improvements or infrastructure improvements.

### **Industrial Development Project Guaranty Fund (IC 5-28-30)**

The Industrial Development Project Guaranty Fund is a non-lapsing, revolving fund used to provide a bank a guarantee for a loan secured by real property or personal property to or for the benefit of an industrial development project or agricultural operation that involves the processing of agricultural products. While the program may be used to fulfill any of the foregoing purposes, it may also be used at times as a job creation incentive.

### **Industrial Recovery Tax Credit (IC 6-3.1-11)**

The Industrial Recovery Tax Credit (known as "DINO" for "dinosaur") provides an incentive for companies to make significant investments in rehabilitation or remodeling costs for existing facilities with high-vacancy rates. The nonrefundable credit is based on a percentage of the qualified investment.

### **BioFuels: Biodiesel Production Tax Credit (IC 6-3.1-27-8), Blended Biodiesel Tax Credit (IC 6-3.1-27-9), and Ethanol Production Tax Credit (IC 6-3.1-28)**

The Biodiesel Production Tax Credit (\$1.00 per gallon), Blended Biodiesel Production Tax Credit (\$0.02 per gallon), and Ethanol Production Tax Credit (\$.0125 per gallon) programs provide a tax incentive to support the development of Indiana's biofuels industry. The statutory maximum under these programs was reached in 2006.

### **Capital Investment Tax Credit (IC 6-3.1-13.5)**

The Capital Investment Tax Credit is a job creation incentive that provides a 25% tax credit for investment in equipment, machinery, facilities, buildings, or foundations that are installed or used for a project having an estimated total cost of at least seventy-five million dollars (\$75,000,000) and in a county having a population of more than forty-three thousand (43,000) but less than forty-five thousand (45,000). Historically, this credit was used only by one company located in Indiana, in the City of Shelbyville.

### **Community Revitalization Enhancement District Tax Credit (IC 6-3.1-19)**

The purpose of the Community Revitalization Enhancement District Tax Credit ("CRED") program is to enhance economic development and community revitalization in Indiana. The CRED program provides incentives to companies making investments for redevelopment or rehabilitation of property located in a designated community revitalization enhancement district in Indiana. Companies redeveloping in these designated districts can qualify for a tax credit for up to 25% of their investment.

**Headquarters Relocation Tax Credit (IC 6-3.1-30)**

The Headquarters Relocation Tax Credit was established to incentivize the relocation of corporate headquarters to Indiana. Qualifying projects must involve the relocation of the principal offices of a company's principal executive officers. The credit amount is equal to 50% of a company's qualifying relocation costs.

**Hoosier Alternative Fuel Vehicle Manufacturer Tax Credit (IC 6-3.1.31.9-22)**

The Hoosier Alternative Fuel Vehicle Manufacturer Tax Credit provides an incentive for investments in the manufacture or assembly of alternative fuel vehicles. There were no Hoosier Alternative Fuel Vehicle Manufacturer Tax Credits applied for and awarded during the reporting period.

**Local Option Hiring Incentive (IC 6-3.5-9)**

The Local Option Hiring Incentive was established to allow counties and cities to foster local job creation by providing incentives from certain tax remittances. This program was established in 2011 and to date; no qualified entities have submitted an annual report per IC 6-3.5-9-17.

**New Employer Tax Credit (IC 6-3.1-33)**

In 2010, the New Employer Tax Credit program was established to encourage businesses to relocate, start new operations or expand existing operations in Indiana. To qualify for this credit, the business must employ at least 10 ten persons for 24 consecutive months. Since the program was established, no businesses have been approved to participate in this program.

**Economic Development Fund (IC 5-28-8-8)**

The Economic Development Fund ("EDF") provides grants to communities, local economic development organizations, or nonprofits undertaking various economic development initiatives. The EDF may be used to support public works projects, technical assistance and studies, economic adjustment assistance, and other economic development programs.

**Enterprise Zone Loan Interest Credit (IC 6-3.1-7)**

The Enterprise Zone Loan Interest Credit is intended to promote access to capital for businesses located in an Enterprise Zone by providing a tax credit to financial institutions making loans to zone businesses. The credit amount is equal to 5% of the interest the financial institution receives in conjunction with loans made to zone businesses. Financial institutions are not required to be located in an Enterprise Zone in order to

receive the credit. The Indiana Code does not require financial institutions to apply to the IEDC for approval nor does it require the entity making or receiving a qualified loan to report to the IEDC regarding new job creation or capital investment associated with the qualified loan. Rather, companies are required to notify the IEDC on an annual basis regarding the total amount of credits claimed under this program.

### **Indiana Biosciences Research Fund (P.L. 205-2013)**

The Indiana Biosciences Research Fund was created pursuant to P.L. 205-2013, for the purpose of establishing a bioscience research institute in the State of Indiana. The institute will promote economic development by providing support to bioscience research and development initiatives, thereby enhancing the State's efforts to build its life sciences industry.

### **Industrial Development Grant Fund (IC 5-28-25)**

The Industrial Development Grant Fund ("IDGF") provides assistance to communities making infrastructure investments in support of economic development opportunities. Eligible infrastructure includes airport facilities, sanitary or storm sewers, water lines, streets, rail spurs, information and high technology infrastructure, or other real or personal property.

### **Industrial Development Loan Fund (IC 5-28-9)**

The Industrial Development Loan Fund ("IDLF") provides loans to small business investment companies as well as to certain qualified entities for approved industrial development programs. An industrial development program is defined as a program designed to aid the growth of industry in Indiana and includes support for various types of infrastructure.

### **Incentive Payment (IC 5-28)**

An Incentive Payment, made pursuant to the IEDC Act, IC 5-28, attracted companies which employed large numbers of Hoosiers, using payment and compliance mechanisms designed to guarantee long-term performance and growth.

### **Local Economic Development Organization Fund (IC 5-28-11)**

The Local Economic Development Organization Fund ("LEDO") provides grants to economic development commissions, regional planning commissions and nonprofit organizations undertaking strategic planning and capacity building initiatives. This

program is designed to provide resource support to local and regional groups conducting activities such as asset inventory and analysis, target industry studies, and development of regional marketing plans. This LEDO fund is consolidated into the EDF fund effective July 1, 2016. The change in statute specifically calls for the EDF fund to continue to support grant proposals that previously would have been supported by the LEDO fund.

#### **Small Business Development Fund (IC 5-28-18-8(9))**

The Small Business Development Fund, formerly known as the Microenterprise Partnership Program, provides small loans to nontraditional entrepreneurs. The loan fund is administered by the Indiana Housing and Community Development Authority, effective June 30, 2012.

#### **Small Business Incubator Program (IC 5-28-21-21)**

The Small Business Incubator Program is a revolving fund to provide grants, loans and guarantees to incubators for business development in economically disadvantaged areas.

#### **Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Match Programs (IC 5-28-16)**

The Twenty-First Century Fund provides matching grants up to \$100,000 to companies receiving Phase I SBIR/STTR awards and up to \$350,000 to recipients of Phase II SBIR/STTR awards. The purpose of these grants is to leverage federal dollars and accelerate the development of innovative new technologies. This program does not have a statutory job creation requirement.

#### **South Central Indiana Regional Partnership Fund (IC 4-33-12-6(c)(1)(G))**

The South Central Indiana Regional Partnership Fund ("SCIRP") provides that the IEDC receives 25% of the admissions taxes generated at the French Lick casino. These funds are to be used for the development and implementation of an economic development strategy for the region comprised of Orange County and its five contiguous counties. The IEDC has deployed these funds to enhance the overall economic competitiveness of the region through strategic investments in areas including regional infrastructure, education, and site readiness.

### **Technology Development Grant (IC 5-28-10)**

The Technology Development Grant Fund ("TDGF") provides assistance to communities in which a Certified Technology Park has been established. TDGF awards may be used to offset capital or operating expenditures and must be used within the boundaries and in support of a community's Certified Technology Park.

### **Trade Show Assistance Program (IC 5-28-14)**

The Trade Show Assistance Program supports Indiana based businesses that market their products and services to an international audience by providing financial support for their participation in international trade shows or local events. The maximum amount of funding is \$5,000, or 100% of trade show exhibit space rental fees, whichever is less.

### **Twenty-First Century Research and Technology Fund (IC 5-28-16)**

The Twenty-First Century Fund ("21 Fund") provides grants or loans to companies engaged in the commercialization of innovative new technologies and creating high wage technology based jobs in Indiana. Program compliance is based on technology development benchmarks and financial reporting. This program does not have a statutory job creation requirement.

### **Venture Capital Investment Tax Credit (IC 6-3.1-24)**

The Venture Capital Investment Tax Credit supports innovative new business in Indiana in certain types of industries, such as life sciences, technology, and research and product development. After a proposed business is deemed to be a Qualified Indiana Business ("QIB"), the venture capital investors are eligible for a nonrefundable tax credit equivalent to up to 20% of their investment. During calendar year 2012, there were 52 newly certified QIBs with planned investment exceeding 67 million.

### **Gasification Technology Investment Tax Credit (IC 6-3.1-29)**

The State of Indiana's low utility rates make it an attractive location for many recipients. The coal gasification technology investment tax credit is for newly-constructed integrated coal gasification power plant or a fluidized bed combustion technology, which converts coal into synthesis gas to either generate electricity or substitute for natural gas. To be eligible for this credit, the facility must meet several statutory requirements, including being placed in service. Duke Energy Indiana, Inc. is the only recipient of this tax credit for the facility in Edwardsport, Knox County.



### **Motorsports Improvement Program and Fund (IC 5-28-36)**

The Motorsports Improvement ("MSI") Program and Fund is a revolving fund used to enhance the development of the motorsports industry in Indiana. A person (individual or entity) may apply for a low-interest loan to improve its owned motorsports enterprise. The IEDC determines the eligibility process, loan criteria, and the terms and conditions of the loan, including repayment time. A county, city, or town may apply for a grant for infrastructure improvements to enhance the viability of the motorsports enterprise. The IEDC determines the application form, information submitted with the application, use criteria, and terms and conditions of the grant. A grant to a county, city, or town may not exceed one million dollars (\$1,000,000). The grant may not be used for prizes, operating expenses, or salaries or other expenses not directly related to infrastructure improvements to enhance the viability of the motorsports enterprise.

### **Certified Technology Parks (IC 36-7-32)**

The Certified Technology Parks ("CTP") program supports the commercialization of high technology research and development through local, state, and university partnerships within a specially designated district. Each approved CTP has a tax increment financial tool that provides for the recapture of a certain tax increment up to \$5,000,000.00 for use in the development of public facilities. A designated CTP is subject to review by the IEDC and must be recertified every four (4) years.

### **Indiana Regional City Fund (IC 5-28-37)**

The Indiana Regional City Fund was established to enable the state to financially partner with regional development authorities that develop a plan to improve the region's quality of place with the goal of creating destinations for talented professionals. A regional development authority may submit a development plan to the corporation and must meet certain requirements and be approved by the board.